

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2006

	January-06				December-05				September-05				Current FYTD	Prior Year FY05	3 Years Ended 6/30/2005	5 Years Ended 6/30/2005
	Market Value	Allocation	Policy	Month Net ROR	Market Value	Allocation	Policy	Quarter Net ROR	Market Value	Allocation	Policy	Quarter Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY																
<i>Structured Growth</i>																
Los Angeles Capital	76,121	2.8%	2.8%	4.01%	76,107	2.9%	2.8%	3.06%	77,294	2.9%	2.8%	5.46%	13.04%	7.56%	N/A	N/A
Total Structured Growth	76,121	2.8%	2.8%	4.01%	76,107	2.9%	2.8%	3.06%	77,294	2.9%	2.8%	5.46%	13.04%	7.56%	7.46%	-9.18%
<i>Russell 1000 Growth</i>				1.76%				2.98%				4.01%	8.99%	1.68%	7.26%	-10.36%
<i>Structured Value</i>																
LSV	78,106	2.9%	2.8%	4.63%	73,722	2.8%	2.8%	1.52%	77,827	2.9%	2.8%	5.06%	11.59%	18.35%	14.73%	14.78%
<i>Russell 1000 Value</i>				3.88%				1.27%				3.88%	9.28%	14.06%	11.00%	6.55%
<i>Russell 1000 Enhanced Index</i>																
LA Capital	153,055	5.6%	5.6%	4.33%	151,184	5.7%	5.6%	2.29%	154,375	5.8%	5.6%	6.45%	13.60%	7.93%	N/A	N/A
<i>Russell 1000</i>				2.80%				2.12%				3.95%	9.13%	7.92%	N/A	N/A
<i>S&P 500 Enhanced Index</i>																
Westridge	163,479	6.0%	5.6%	2.68%	157,261	5.9%	5.6%	2.10%	149,468	5.6%	5.6%	3.64%	8.65%	6.58%	N/A	N/A
<i>S&P 500</i>				2.65%				2.09%				3.60%	8.57%	6.32%	N/A	N/A
<i>Index</i>																
State Street	50,144			2.64%	48,257			2.07%	49,517			3.58%	8.51%	6.27%	8.22%	-2.45%
Total Index	50,144	1.8%	1.9%	2.64%	48,257	1.8%	1.9%	2.07%	49,517	1.9%	1.9%	3.58%	8.51%	6.27%	8.22%	-2.45%
<i>S&P 500</i>				2.65%				2.09%				3.60%	8.57%	6.32%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	520,905	19.2%	18.8%	3.65%	506,531	19.0%	18.8%	2.20%	508,482	19.0%	18.8%	4.97%	11.19%	8.89%	9.59%	-0.28%
<i>S&P 500</i>				2.65%				2.09%				3.60%	8.57%	6.32%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY																
<i>Manager-of-Managers</i>																
SEI	186,000	6.8%	6.3%	9.03%	170,567	6.4%	6.3%	0.95%	168,733	6.3%	6.3%	5.46%	16.09%	9.32%	13.32%	N/A
<i>Russell 2000 + 200bp</i>				9.13%				1.64%				5.21%	16.70%	11.64%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	186,000	6.8%	6.3%	9.03%	170,567	6.4%	6.3%	0.95%	168,733	6.3%	6.3%	5.46%	16.09%	9.32%	13.32%	5.50%
<i>Russell 2000</i>				8.97%				1.13%				4.69%	15.37%	9.45%	12.81%	5.71%
INTERNATIONAL EQUITY																
<i>Large Cap - Active</i>																
Capital Guardian	120,770	4.4%	4.0%	5.35%	121,236	4.5%	4.0%	9.64%	112,860	4.2%	4.0%	12.11%	29.50%	10.32%	7.44%	-3.80%
LSV	118,184	4.3%	4.0%	5.45%	107,658	4.0%	4.0%	4.29%	113,701	4.2%	4.0%	11.20%	22.30%	N/A	N/A	N/A
Total Large Cap - Active	238,954	8.8%	8.0%	5.40%	228,894	8.6%	8.0%	6.96%	226,561	8.5%	8.0%	11.67%	25.88%	13.23%	12.39%	7.26%
<i>MSCI EAFE - 50% Hedged</i>				4.98%				5.84%				11.07%	23.41%	14.41%	8.84%	-2.61%
<i>Small Cap - Value</i>																
Lazard	29,942	1.1%	1.0%	7.00%	26,883	1.0%	1.0%	3.01%	27,176	1.0%	1.0%	9.94%	21.18%	18.18%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				6.20%				8.94%				12.05%	29.63%	21.33%	N/A	N/A
<i>Small Cap - Growth</i>																
Vanguard	31,016	1.1%	1.0%	7.37%	27,756	1.0%	1.0%	4.92%	27,496	1.0%	1.0%	10.41%	24.38%	24.11%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				6.20%				8.94%				12.05%	29.63%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	299,913	11.0%	10.0%	5.74%	283,532	10.6%	10.0%	6.37%	281,233	10.5%	10.0%	11.37%	25.28%	15.34%	10.62%	-2.10%
<i>MSCI EAFE - 50% Hedged</i>				4.98%				5.84%				11.07%	23.41%	14.41%	8.84%	-2.61%
DOMESTIC FIXED INCOME																
<i>Core Bond</i>																
Western Asset	505,937	18.6%	18.3%	0.44%	498,621	18.7%	18.3%	0.28%	497,705	18.6%	18.3%	-0.41%	0.31%	7.14%	7.36%	8.59%
<i>Lehman Aggregate</i>				0.01%				0.59%				-0.67%	-0.08%	6.80%	5.75%	7.40%
<i>Index</i>																
Bank of ND	450,395	16.6%	18.3%	-0.24%	448,616	16.8%	18.3%	0.44%	460,176	17.2%	18.3%	-0.84%	-0.64%	4.08%	5.66%	7.26%
<i>Lehman Gov/Credit (1)</i>				-0.18%				0.60%				-0.96%	-0.55%	4.80%	5.82%	7.35%
<i>BBB Average Quality</i>																
Wells Capital (formerly Strong)	502,738	18.5%	18.3%	-0.02%	497,583	18.7%	18.3%	0.58%	492,054	18.4%	18.3%	-1.05%	-0.49%	9.14%	9.20%	N/A
<i>Lehman US Credit BAA</i>				-0.13%				0.39%				-0.97%	-0.72%	8.60%	9.42%	N/A
TOTAL DOMESTIC FIXED INCOME	1,459,069	53.7%	55.0%	0.07%	1,444,819	54.2%	55.0%	0.42%	1,449,935	54.2%	55.0%	-0.76%	-0.28%	6.14%	6.59%	7.79%
<i>Lehman Gov/Credit</i>				-0.18%				0.60%				-0.96%	-0.55%	7.26%	6.41%	7.70%
CASH EQUIVALENTS																
<i>Bank of ND</i>																
90 Day T-Bill	251,609	9.3%	10.0%	0.39%	259,717	9.7%	10.0%	1.07%	267,314	10.0%	10.0%	0.93%	2.41%	2.46%	1.74%	2.68%
				0.32%				0.92%				0.83%	2.08%	2.15%	1.55%	2.62%
TOTAL BONDING FUND	2,717,496	100.0%	100.0%	1.96%	2,665,167	100.0%	100.0%	1.36%	2,675,696	100.0%	100.0%	2.13%	5.55%	6.51%	7.96%	4.19%
<i>POLICY TARGET BENCHMARK</i>				1.49%				1.48%				1.62%	4.66%	6.74%	6.63%	3.83%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.